

12-506. MAXIMUM FINANCE CHARGE - OPEN END ACCOUNT.**(A) MAXIMUM FINANCE CHARGE.**

IN AN OPEN END ACCOUNT, THE FINANCE CHARGE MAY NOT EXCEED:

(1) 1.5 PERCENT PER MONTH ON THAT PART OF THE OUTSTANDING BALANCE NOT EXCEEDING \$500; AND

(2) 1 PERCENT PER MONTH ON THAT PART OF THE OUTSTANDING BALANCE EXCEEDING \$500.

(B) COMPUTATION BY BALANCE RANGES.

IN AN OPEN END ACCOUNT, IF A FINANCE CHARGE IS APPLIED TO ALL OUTSTANDING BALANCES WITHIN A RANGE NOT EXCEEDING \$10, THE FINANCE CHARGE MAY BE COMPUTED ON THE BASIS OF THE MEDIAN AMOUNT WITHIN THE RANGE.

(C) COMPUTATION OF OUTSTANDING BALANCE.

FOR THE PURPOSE OF COMPUTING THE OUTSTANDING BALANCE OF AN OPEN END ACCOUNT SUBJECT TO THE FINANCE CHARGE, THE OUTSTANDING BALANCE:

(1) ON ANY DAY MAY NOT EXCEED THE SUM OF THE TOTAL CHARGES TO THE ACCOUNT LESS THE AMOUNTS PAID OR CREDITED TO THE ACCOUNT BEFORE THAT DAY; OR

(2) MAY BE COMPUTED BY THE AVERAGE DAILY BALANCE METHOD.

(D) LIMITATION OF FINANCE CHARGE.

IN AN OPEN END ACCOUNT, THE FINANCE CHARGE IN ANY GIVEN MONTH MAY NOT EXCEED AN AMOUNT WHICH MAY BE ASSESSED PURSUANT TO SUBSECTION (C) (2) OF THIS SECTION.

(E) MAILING PERIODIC STATEMENT.

A FINANCE CHARGE FOR A MONTHLY PERIOD MAY NOT BE IMPOSED ON AN OPEN END ACCOUNT UNLESS THE PERIODIC STATEMENT FOR THAT MONTH IS MAILED TO THE BUYER AT LEAST 15 DAYS BEFORE THE END OF THE NEXT BILLING CYCLE.

(F) FINANCE CHARGE IF THERE ARE TWO OR MORE ACCOUNTS.

(1) IF A SELLER OR FINANCIAL INSTITUTION ESTABLISHES TWO OR MORE OPEN END ACCOUNTS FOR AN INDIVIDUAL BUYER, THE SELLER OR FINANCIAL INSTITUTION MAY NOT IMPOSE A HIGHER RATE OF FINANCE CHARGE THAN WOULD BE OBTAINED IF THERE WAS BUT ONE OPEN END ACCOUNT BETWEEN